

Data Sheet

USAID Mission:	Nepal
Program Title:	Sustainable Forest and Agricultural Products
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	367-001
Proposed FY 2004 Obligation:	\$1,900,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$2,637,000 DA
Year of Initial Obligation:	FY 1995
Year of Final Obligation:	FY 2006

Summary: USAID plans to increase household income and food security by increasing production of high-value crops, expanding market participation, improving management of productive resources, and enhancing the level and content of policy dialogue with the government. Program activities include support for improved management of community forests and farmer-managed irrigation systems, small-scale farm and forest enterprise development, technical assistance in production and marketing of high-value forest and farm crops, conducting research and studies on policy impediments to agricultural growth and trade, and support for private-public partnerships to access new technologies and new markets.

Inputs, Outputs, Activities:

FY 2004 Program:

Increase Incomes of Small Farmers through High-Value Crop Production and Increased Market Access (\$1,000,000 DA). USAID will increase the production of high-value commodities (e.g., non-timber forest products, horticulture and livestock), promote marketing channels, increase use of appropriate technologies and assist in the development of enterprises in order to respond to proven demand. This will be achieved through:

- increasing the use of micro-irrigation technology to access off-season markets in the hill areas;
- information sharing;
- supporting small-scale enterprise and business development services; and
- accessing export markets.

Prime grantees include Winrock International, Asia Network for Sustainable Agriculture and Bioresources, and Planning and Development Collaborative International.

Expand Access to Business Services and Markets (\$700,000 DA). To help promote development, sales and marketing of high-value agricultural commodities and non-timber forest products, technical and financial assistance will be provided to facilitate local business development services. Assistance to business service providers ranging from inputs suppliers to marketing organizations will enable small rural enterprises to grow, produce and market agricultural and forest products more effectively. The program also will help increase incomes of participating landless community forest users, smallholders and small and micro enterprises. International Development Enterprise is the prime grantee for this activity.

Policy Analysis and Reform on Agriculture Trade-Related Issues (\$200,000 DA). To enable Nepalese farmers to access regional markets, technical assistance and training will be provided to the Government of Nepal and the Federation of Nepalese Chambers of Commerce and Industry to analyze and disseminate agriculture trade-related issues, especially World Trade Organization accession, trade treaties, and quarantine and customs-related bottlenecks. The Agro Enterprise Center is the prime grantee.

Global Development Alliances (GDA). USAID funded three GDAs in FY 2002: 1) the Certification and Sustainable Marketing of Non-Timber Forest Products Alliance; 2) the Kathmandu Electric Vehicle Alliance; and 3) the Nepal Tree Crop Alliance. In FY 2003, an additional \$300,000 of GDA/Mission Incentive Funds was added to the Kathmandu Electric Vehicle Alliance. No new funding is planned for these GDAs in FY 2004 but activities continue.

FY 2005 Program:

Increase Incomes of Small Farmers through High-Value Crop Production and Increased Market Access (\$1,500,000 DA). USAID will continue to fund introduction of micro irrigation technologies in the hill regions to promote off-season horticulture production, increase access to market information, and promote business development services. The program may be expanded to additional districts, depending on the conflict situation and its impact on market access and mobility. Other efforts may include promoting crop diversification, sustainable agro-forestry technologies, and expanding market linkages.

Expanded Access to Business Services and Markets (\$637,000 DA). USAID will continue to promote grassroots-level small and micro enterprises, build capacity of business development service providers, link enterprises to sustainable marketing networks and business development services, introduce new innovative technologies, and develop market information services.

Policy Analysis and Reform on Agricultural Trade-Related Issues (\$500,000 DA). Activities will continue to develop Nepalese technical and analytical expertise on agricultural trade-related issues and to support advocacy to remove policy constraints and implement international trade treaties. This program also may include technical assistance for Nepal's World Trade Organization commitments.

Performance and Results: All activities under this program were phased out per the original activity completion plan in 2002. However, since the program was extended in August 2002 through 2006, new projects were incorporated for which the planning began in FY 2003 and implementation in FY 2004. Despite the security situation in Nepal, most program activities are expected to progress largely unfettered since they have garnered local community support by being implemented primarily through pre-existing non-governmental organizations and local organizations and are improving the lives and livelihoods of rural families. By helping farmers and small community-based organizations produce high value crops such as coffee and non-timber forest products, this program will increase incomes of the rural poor by at least 50% and bring the target population of 40,000 households above the poverty line by program completion.

GDA activities have continued to operate in 2003. Under the Tree Crops Alliance, a U.S. specialty coffee exporter has agreed to provide training to trainers, and then buy all coffee processed under the agreed upon specifications. The Kathmandu Electric Vehicle Alliance commissioned a study on the harmful effects of airborne pollution that received wide coverage and GON acknowledgement. The Certification and Sustainable Marketing of Non-Timber Forest Products Alliance has organized communities, established a certification model, and identified two non-timber forest products for export promotion, i.e., lokta (a bark used in local paper making with a strong international market demand) and wintergreen oil (used for aromatic purposes).

US Financing in Thousands of Dollars

Nepal

	CSH	DA
367-001 Sustainable Forest and Agricultural Products		
Through September 30, 2002		
Obligations	200	22,557
Expenditures	140	21,875
Unliquidated	60	682
Fiscal Year 2003		
Obligations	0	1,500
Expenditures	60	509
Through September 30, 2003		
Obligations	200	24,057
Expenditures	200	22,384
Unliquidated	0	1,673
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2004 NOA		
Obligations	0	1,900
Total Planned Fiscal Year 2004		
Obligations	0	1,900
Proposed Fiscal Year 2005 NOA		
Obligations	0	2,637
Future Obligations	0	0
Est. Total Cost	200	28,594